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SUBJECT: MCC ENTERS SECOND YEAR IN FULL GEAR

¶1. Summary: The MCC program in Ghana is in full implementation mode, as it enters its second year. Over the past six months 51 contracts and other agreements have been signed, with a total value of over \$22 million. Consultants are on the ground and activities are well in progress. This is a relief for all given the high expectations from all sides for quick, visible results, including President Kufuor. A weekend-long meeting, held March 8-9, culminated in a well-received presentation on MCC implementation to the President and his senior staff. The Ghanaian commitment at all levels to get the job done is impressive and promises that significant transformation of the agricultural sector will be achieved. End summary.

¶2. March 2008 begins the second year since the MCC's entry into force (EIF). Over the past year the program has been criticized for its slow pace of implementation. While some of the bureaucratic procedures did hinder progress, the Ghanaian entity created to implement the compact was built from scratch, needing to be staffed, set procedures and learn them. We can confidently say that the management framework is now soundly in place.

¶3. The program has turned the page from preparation to implementation. Over the past six months, negotiations for 51 contracts and other agreements have been completed with documents committing over \$22 million signed, and teams at work. Among the major contracts:

- The Central Management Consultant (CMC) that plays a key role in developing training materials for the 60,000 targeted farmers that will learn how to think of farming as a business.
- The contract to design the N1 highway and oversee the construction was also signed with preliminary design to be submitted in July.
- The social and environmental assessment consultant is reviewing all the proposed construction activities to ensure they will comply with MCC environmental and social policies. Already, the consultant has identified some construction that will not require environmental assessments and therefore can proceed.
- The Lake Volta Transport Company's (LVTC) dry dock will be renovated, two new ferries built, and the landing areas improved, with design work underway this week.
- Extension workers of the Ministry of Food and Agriculture (MOFA) have identified 600 viable Farmer-based Organizations (FBOs) that will be selected for the training. To date, over 30,000 farmers have been listed with training to start in June.
- Renovation of 35 schools in the three intervention zones has begun with work to be completed by July. Thirty schools damaged by floods in the Northern Region have been assessed and their renovation will be completed this year.

¶4. MiDA's Board Chairman took the initiative to request that MiDA management organize a weekend meeting to review the activities and hear the consultants' plans for implementation over the next nine months. The March 8-9 meeting was attended by MiDA Board Members including the Ministers of Food and Agriculture (MOFA), Finance and Economic Planning (MOFEP) and Transport (MOT), as well as non-governmental organizations, and the District Assembly representatives from the three intervention zones (Afram, Northern

and Southern). MCC's Deputy Vice President for Compact Implementation Jonathan Bloom also participated along with MCC Resident Country Director and Deputy Director.

15. Consultants gave detailed presentations during the Saturday session, which was then consolidated for a three hour briefing for President Kufuor, his Chief of Staff and Chief Advisor. The arrangement was similar to the one of six months ago made to the President and full cabinet. But the content was completely different. In August 2007, the discussion focused on the status of procurements and how efforts could be accelerated. This time the focus was on the work on the ground with, for example, the consultant for the N1 highway presenting detailed drawings of options for the highway size and pathway.

16. At the conclusion, the President was clearly satisfied with the progress made. He did however charge the consultants and MiDA to continue to proceed as fast as possible. Significantly, he recognized the importance of "doing the necessary" such as the environmental assessments and not deviating from the proper process.

17. Given that it is his last year in office and it is also an election year, he also urged MiDA to more aggressively tell the Ghanaian people of the progress that is being made. MiDA has a communications strategy and expects a contract with a communications firm to be signed in April.

18. COMMENT: 2008 will be the year of implementation, with visible structures being started if not completed, including schools, pack-houses/pre-coolers, and roads. Thousands of farmers will be trained and gain access to credit. Rural banks will receive automated systems that will help connect farmers to the financial sector. The program is large and complex, but one can clearly see

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how significant its activities will be to transforming Ghana's agriculture. END COMMENT.

BRIDGEWATER